

NSG

GROUP

NSG Group

FY2015 Quarter 3 Results

(from 1 April 2014 to 31 December 2014)

Mark Lyons
Chief Financial Officer

Iain Smith
Group Financial Controller

FY2015 Quarter 3 Results

(from 1 April to 31 December 2014)



Agenda

Key Points

Financial Results

Business Update

Summary

Key Points - April to December 2014



- Results continue to show improvement over previous year
- Market conditions remain mixed, with improvements in some regions and reductions in others
- Further improvement in trading profitability expected during the remainder of FY2015

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(from 1 April to 31 December 2014)



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Consolidated Income Statement



<u>(JPY bn)</u>	<u>Cum Q3 FY2015</u>	<u>Cum Q3 FY2014</u>	<u>Change from Cum Q3 FY2014</u>
Revenue	466.6	451.2	3%**
Trading profit	16.7	14.2	
Amortization*	(6.3)	(5.8)	
Operating profit before exceptional items	10.4	8.4	
Exceptional items	10.7	(9.5)	
Operating profit/(loss)	21.1	(1.1)	
Finance expenses (net)	(14.2)	(13.2)	
Share of JVs and associates	(0.4)	0.8	
Profit/(Loss) before taxation	6.5	(13.5)	
Profit/(Loss) for the period	4.7	(13.7)	
Profit/(Loss) attributable to owners of the parent	4.0	(14.8)	
EBITDA	41.2	38.0	8%

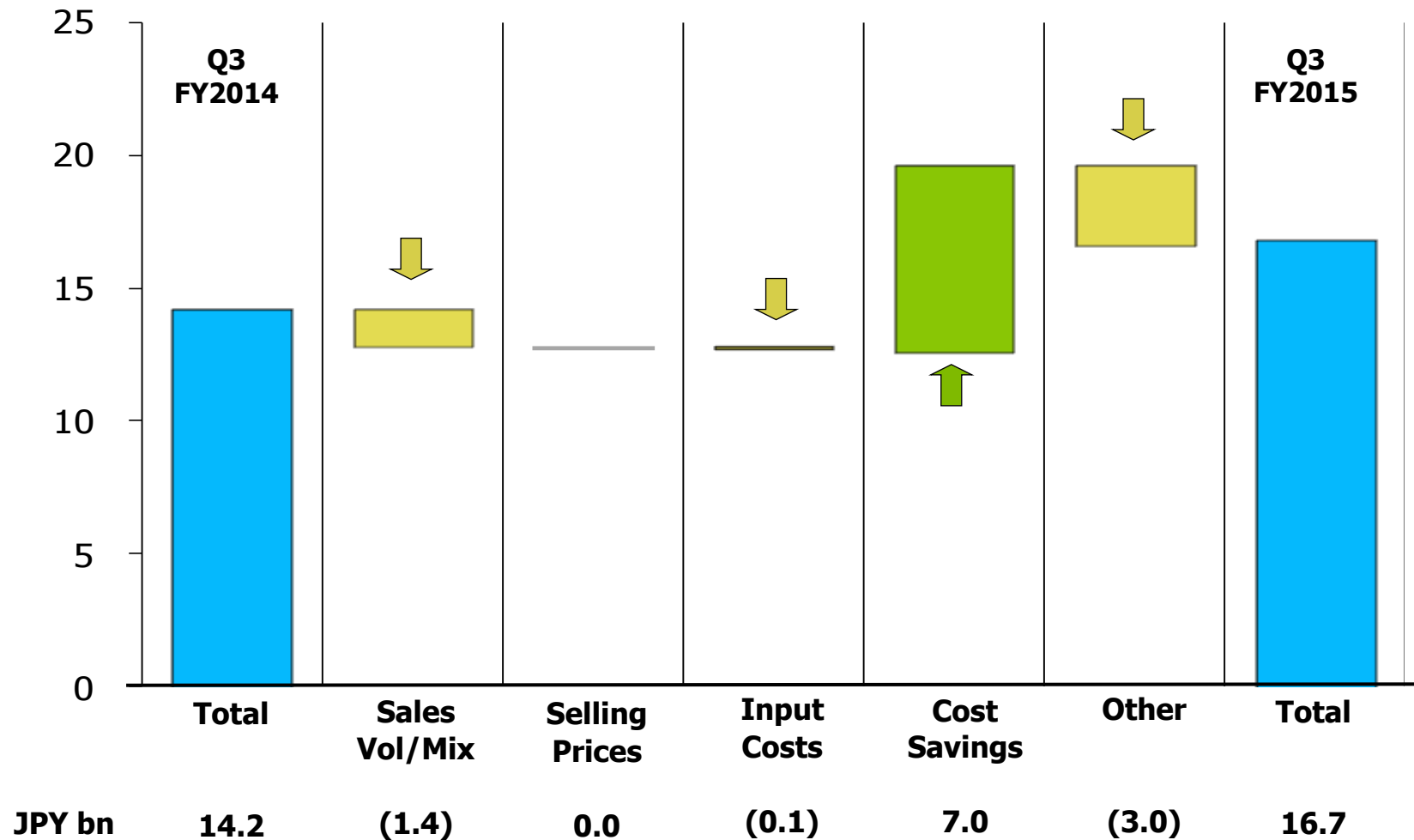
* Amortization arising from the acquisition of Pilkington plc only

** 0% based on constant exchange rates

Further improvement in profitability

Change Analysis

Trading profit



Cost savings driving profit improvement

Consolidated Cash Flow Summary



(JPY bn)

	Cum Q3 FY2015	Cum Q3 FY2014
Profit/(loss) for the period	4.7	(13.7)
Depreciation and amortization	31.2	30.2
Net change in working capital	(7.9)	(5.9)
Tax paid	(3.3)	(2.7)
Gain on sale of property, plant and equipment	(4.8)	(0.3)
Gain on reclassification of investments	(13.3)	-
Others	(9.0)	(13.1)
Net cash outflow from operating activities	(2.4)	(5.5)
Purchase of property, plant and equipment	(21.8)	(16.1)
Others	4.9	4.9
Net cash used in investing activities	(16.9)	(11.2)
Cash flow before financing activities	(19.3)	(16.7)

Key Performance Indicators



	<u>31-Dec-14</u>	<u>31-Mar-14</u>
Net Debt (JPY bn)	406	379
Net Debt/EBITDA	7.0x	7.0x
Net Debt/Equity Ratio	2.0	2.2
	<u>Q3 FY2015</u>	<u>Q3 FY2014</u>
EBITDA Interest Cover	3.5x	3.6x
Operating Return* on Sales	3.6%	3.2%
* trading profit		

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Financial Results

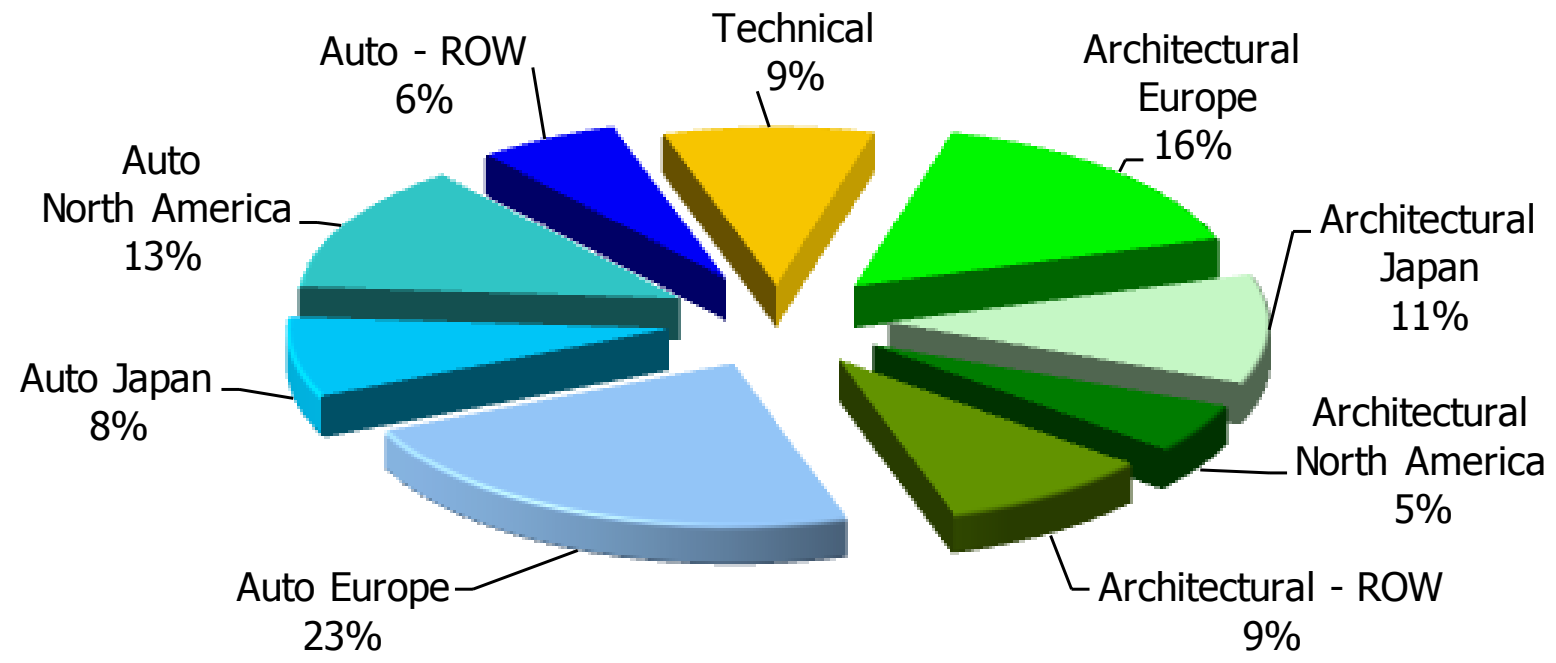
Business Update

Summary

External Revenue – Group Businesses



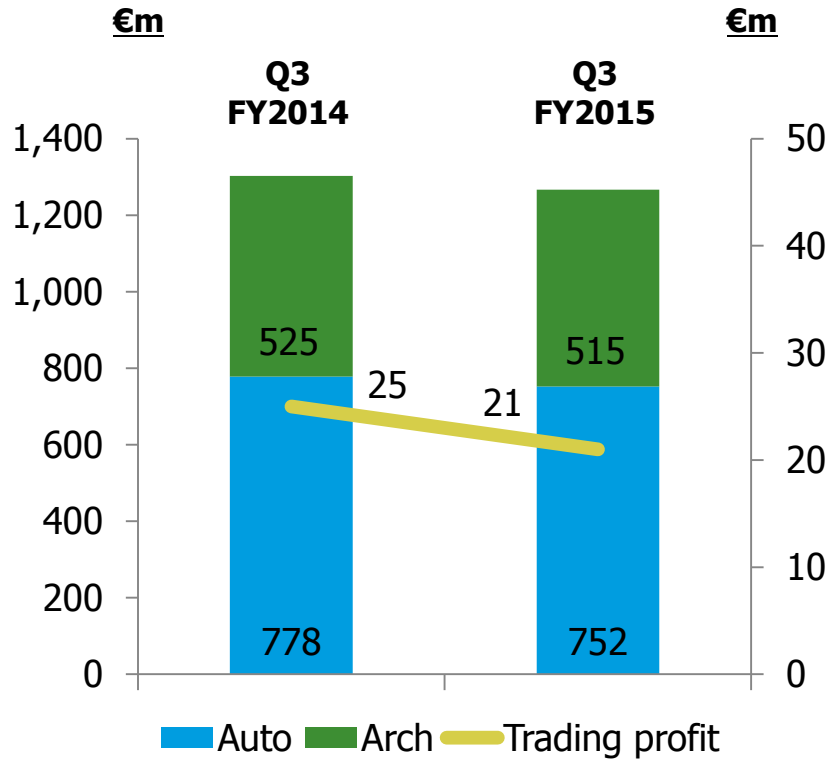
¥ 466.6 billion



Cumulative Q3 FY2015

Europe

Q3 FY2014 v Q3 FY2015



Architectural

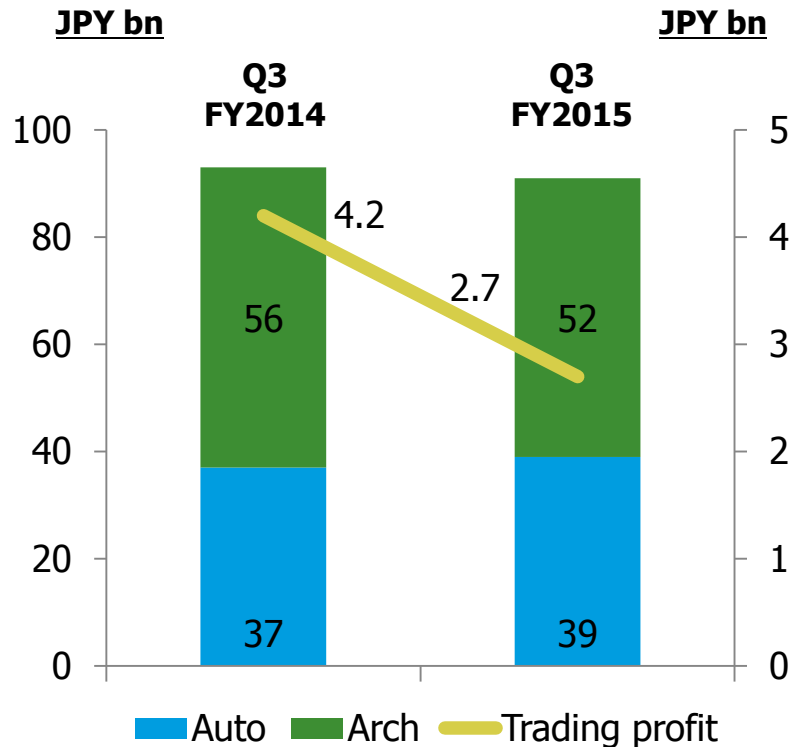
- Weak but stable market conditions
- Profitability similar to the previous year

Automotive

- Cumulative light-vehicle sales ahead of previous year, with signs of growth in Western Europe
- Lower AGR volumes

Japan

Q3 FY2014 v Q3 FY2015



Architectural

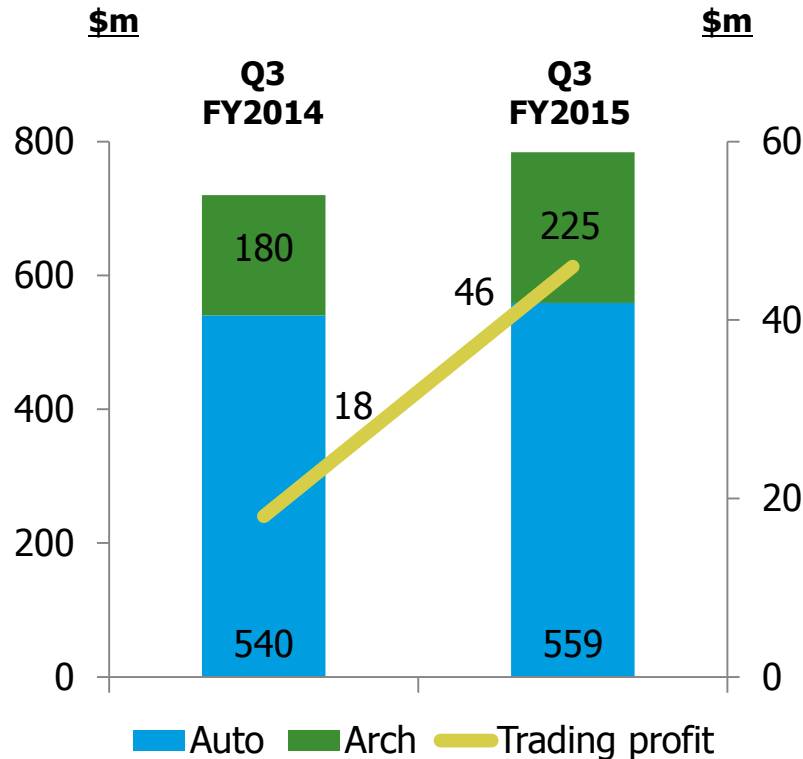
- Volumes fell following consumption tax increase
- Weak demand prior to implementation of eco-point housing support program, but long-term prospects continue to be positive

Automotive

- OE volumes robust despite consumption tax increase
- Profits impacted by cost push

North America

Q3 FY2014 v Q3 FY2015



Architectural

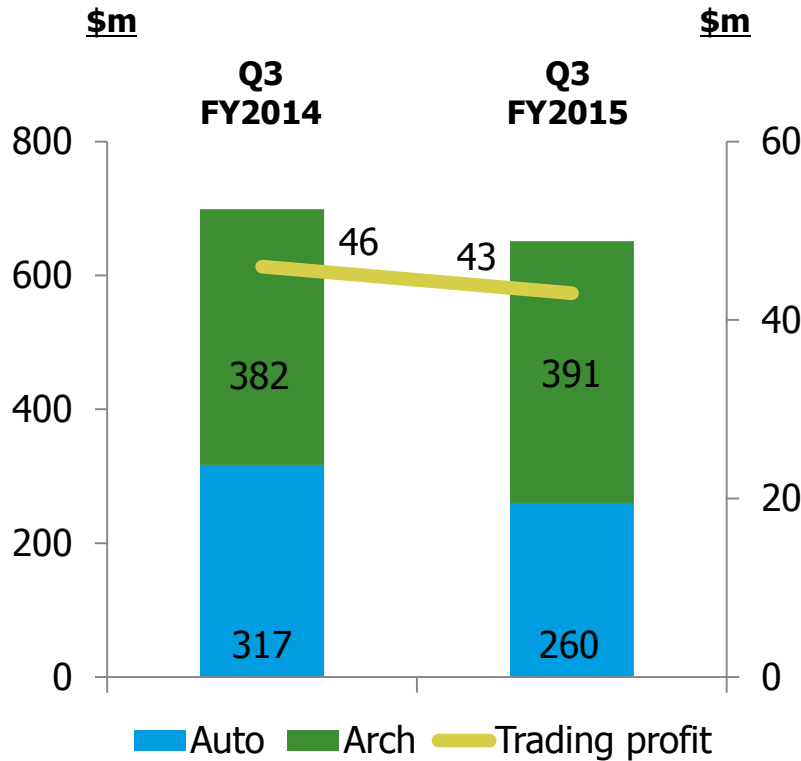
- Revenues and profits improved from the previous year
- Volumes increased, improved domestic and Solar demand
- Domestic price levels above the previous year

Automotive

- OE market volumes continued to increase
- Strong AGR demand

Rest of World

Q3 FY2014 v Q3 FY2015



Architectural

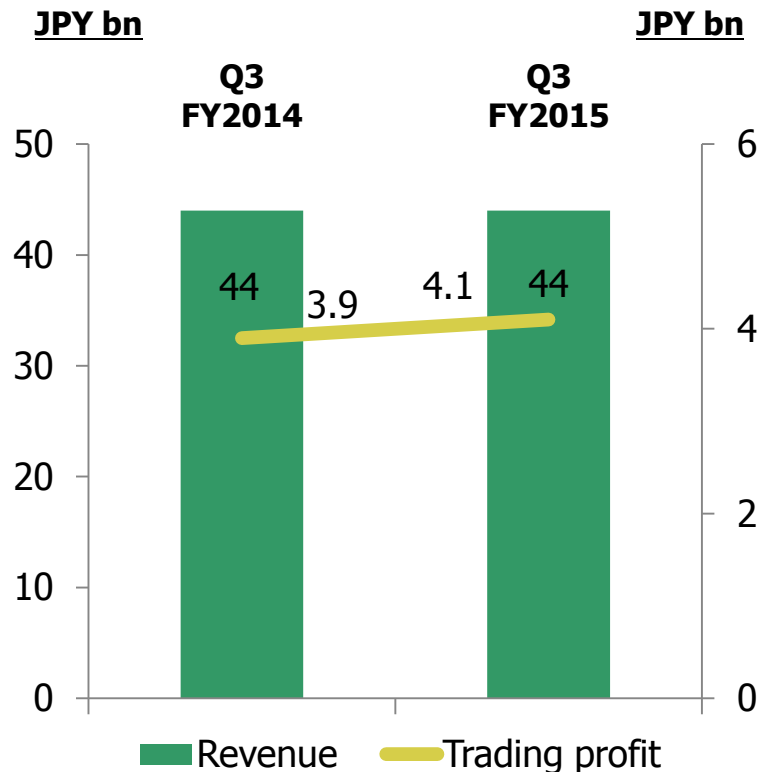
- South East Asia markets strong with improving domestic demand and increased Solar Energy dispatches

Automotive

- Weak market conditions in South America

Technical Glass

Q3 FY2014 v Q3 FY2015



Technical Glass

- Solid demand for office printer components
- Glass cord volumes similar to previous year
- Display glass impacted by increased competition
- Volume reductions in thin glass due to disposal of LCD component business in previous year

- Profits continuing to improve despite mixed market conditions
 - Strong performance in North America
 - Solar market conditions improving
 - Stable market conditions in Europe, but still at a low level
 - Japan Automotive markets holding up well, potential for Architectural recovery with eco-point program
 - Previous restructuring continues to deliver benefits

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- Results continue to show improvement over previous year
- Market conditions remain mixed, with improvements in some regions and reductions in others
- Further improvement in trading profitability expected during the remainder of FY2015
- Full-year forecast maintained

The projections contained in this document are based on information currently available to us and certain assumptions that we consider to be reasonable. Hence the actual results may differ. The major factors that may affect the results are the economic environment in major markets (such as Europe, Japan, the U.S. and Asia), product supply/demand shifts, and currency exchange fluctuations.

Nippon Sheet Glass Co., Ltd.

Appendices

Revenue by Business

Q3 FY2015



(JPY bn)	Japan	Europe	North America	Rest of World	Total
Architectural	51.7	72.5	23.9	41.7	189.8
Automotive	38.8	105.9	59.6	27.7	232.0
Technical Glass	23.4	5.9	0.9	13.7	43.9
Others	0.8	0.1	0.0	0.0	0.9
Total	114.7	184.4	84.4	83.1	466.6

Trading profit

Q3 FY2015



(JPY bn)	Architectural	Automotive	Technical Glass	Other	Total
Trading profit	10.1	5.0	4.1	(2.5)	16.7

(JPY bn)	Japan	Europe	North America	Rest of World	Total
Trading profit	3.6	3.7	4.5	4.9	16.7

Assumptions



	Q3 FY2014	Q3 FY2015
Average rates used:		
JPY/GBP	156	176
JPY/EUR	132	141
JPY/USD	99	107
Closing rates used:		
JPY/GBP	174	187
JPY/EUR	145	145
JPY/USD	105	121

Exceptional items

(JPY bn)

Gain on reclassification of investments
Gain on disposal of non-current assets
Restructuring costs
Other items

Cum Q3
FY2015

13.3

4.5

(6.5)

(0.6)

10.7

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